

Virginia Racing Commission

MINUTES

OF THE

COMMISSION MEETING

February 27, 2008

**HORSEMEN'S BUILDING
COLONIAL DOWNS
10700 HORSEMEN'S ROAD
NEW KENT, VA**

In Attendance

Commission Members:

Peter C. Burnett, Chairman
Mark Brown, Vice Chairman
William H. (Trip) Ferguson
I. Clinton Miller
David C. Reynolds

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
C. Richard Harden, DVM, Commission Veterinarian
David Lermond, Jr., Director of Pari-mutuels
Marvin A. Sniegon, Director of Financial Management & Planning
Dennis E. West, Director of Operations

Attorney General's Office:

Amy K. Dilworth

At 9:37 a.m., Chairman Burnett called the regular monthly meeting of the Commission to order.

The minutes of the January 16, 2008 meeting were approved as amended.

Chairman Burnett reported a settlement conference involving YouBet, Colonial Downs, the Virginia Horsemen's Benevolent & Protective Association and the Commission had reached a successful conclusion late Tuesday. The result will be that YouBet will apply for its Virginia ADW license and pay an agreed upon source market fee and that the lawsuits involving the parties will be dismissed. He thanked all of the parties for their efforts in reaching the agreement.

Commissioner Reynolds, Chairman of the Marketing and Promotion Committee introduced President Michael Mulvihill and Amy Kaloski of CRT/tanaka who provided an update on the marketing activities to date. They reported that work on the three main projects for 2008 is well underway. They involve media relations, the Equine Ambassadors' program, and the educational curriculum development for fourth graders that will be available for the fall semester.

Commissioner Ferguson reported on the meeting of the Commission's Thoroughbred Breeders' Fund Subcommittee and asked Mr. Bowker to report the committee's recommendations.

Mr. Bowker outlined the following:

1. The Committee recommends that Stallion Awards be capped at \$100,000. This is consistent with last year.

2. A 100% bonus (purse supplement) will be awarded to Virginia-bred Thoroughbreds that place first through sixth at the 2008 live race meet at Colonial Downs. This carries an estimated cost of \$570,000.

3. \$180,000 in owners' awards or purse supplements will be used to fund six stake races for Virginia-bred Thoroughbreds at the 2008 live race meet at Colonial Downs. The two-year-old stake race is included. Each stake race will receive \$30,000 from the Virginia Breeders' Fund.

4. No money will be allocated from the Thoroughbred Breeders' Fund for maiden races at the 2008 live race meet at Colonial Downs. If these races are run, the funding source will be the purse account.

5. Virginia-bred Steeplechase Thoroughbred horses will be made eligible for Breeders' Awards at designated Steeplechase meets in Virginia. The following Steeplechase meets were presented for approval in 2008:

Strawberry Hill, April 12
Middleburg Spring, April 19
Foxfield, April 26
Virginia Gold Cup, May 3
Foxfield Fall, September 28
Virginia Fall 1 (Middleburg Fall), October 4
Virginia Fall 2 (Middleburg Fall), October 5
Morven Park, October 11
International Gold Cup, October 18
Steeplechase at Oak Ridge, October 26
Montpelier, November 1

6. The remaining money of approximately \$250,000 will be used to pay Breeders' Awards for 2008. If funds materialize from other sources the amount could increase to around \$400,000.

It was moved, seconded and unanimously approved to accept the recommendations of the committee.

Mr. Bowker informed the Commission that Peggy Mason's son had been involved in a car accident and died on Saturday, February 23, 2008.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' March simulcasting schedule.

Mr. Bowker also reported that Thoroughbred Breeders' Fund checks totaling \$502,690 were being processed and should go out sometime within the next two weeks. In response to a question from Chairman Burnett, Mr. Bowker said that amount included \$99,413 in stallion awards.

Mr. Bowker advised the Commission on the status of several legislative bills as well as the budget that is pending in the General Assembly.

The Commission's Annual Report has been printed and is being distributed to Governor Kaine and the members of the General Assembly.

Chairman Burnett said that due to the possible sale of Colonial Downs that he would like to wait before establishing a special Industry committee to review racing in Virginia.

Mr. Bowker reported that the following committee meetings have been scheduled: Medication Committee, March 8 at Laurel Park, 10 a.m. and the Marketing and Promotion Committee, March 11 at CRT/tanaka, 10:00 a.m.

Representatives of Colonial Downs and the VHBPA reported that despite their representations to the Commission at the January 14, 2008 meeting that they were very near agreement on a new contract, there were still several outstanding issues. They requested approval to extend the contract ending December 31, 2007 to March 19, 2008. The request was moved, seconded and unanimously approved.

The Commission voted to continue meeting in the Horsemen's Building and the next meeting was set for March 19, 2008.

Chairman Burnett announced that the Commission would be spending the remainder of the day in a closed meeting involving personnel matters to be followed by conflict of interest training. He then made the following motion:

"In accordance with the provisions of Section 2.2-3711 (A)(1) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of discussion or consideration of the assignment, appointment, performance or salary of specific employees of the Commission and conflict of interest training."

The motion was seconded and was unanimously approved.

Coming out of closed meeting, Chairman Burnett offered the following motion:

"Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and whereas, Section 2.2-3712 of the Code of

Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law;

“Now, therefore, be it resolved, that the Virginia Racing Commission certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting.”

The motion was seconded and the vote was as follows: Brown, aye; Ferguson, aye; Reynolds, aye; Miller, aye; and Chairman Burnett, aye.

There being no further business, the monthly meeting was adjourned.